



[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9851]

RIN 1545-BN55

Guidance Under Section 851 Relating to Investments in Stock and Securities;
Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendments.

SUMMARY: This document contains corrections to final regulations (TD 9851) that were published in the **Federal Register** on Tuesday, March 19, 2019. The final regulations provide guidance relating to the income test used to determine whether a corporation may qualify as a regulated investment company (RIC) for Federal income tax purposes.

DATES: This correction is effective on **INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER** and is applicable to taxable years that begin after June 17, 2019.

FOR FURTHER INFORMATION CONTACT: Matthew Howard at (202) 317-7053 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9851) published on March 19, 2019 (84 FR 9959) that are the subject of this correction are issued under section 851 of the Internal Revenue Code.

Need for Correction

As published, the final regulations (TD 9851) contain errors that need to be corrected.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR part 1 is amended by making the following correcting amendments:

PART 1 - INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.851-2 is amended by revising paragraph (b)(1)(i)(F) and the first sentence of paragraph (b)(2)(iii) to read as follows:

§ 1.851-2 Limitations.

* * * * *

(b) * * *

(1) * * *

(i) * * *

(F) Other income (including but not limited to gains from options, futures, or forward contracts) derived with respect to the corporation's business of investing in such stock, securities, or currencies.

* * * * *

(2) * * *

(iii) If an amount is included in gross income of the corporation referred to in paragraph (b)(1) of this section under section 951(a)(1) or 1293(a) and is derived with respect to that corporation's business of investing in stock, securities, or currencies, then the amount is other income described in section 851(b)(2)(A) and paragraph (b)(1)(i)(F) of this section. * * *

* * * * *

Martin V. Franks
Chief
Publications and Regulations Branch
Legal Processing Division
Associate Chief Counsel
(Procedure and Administration)